

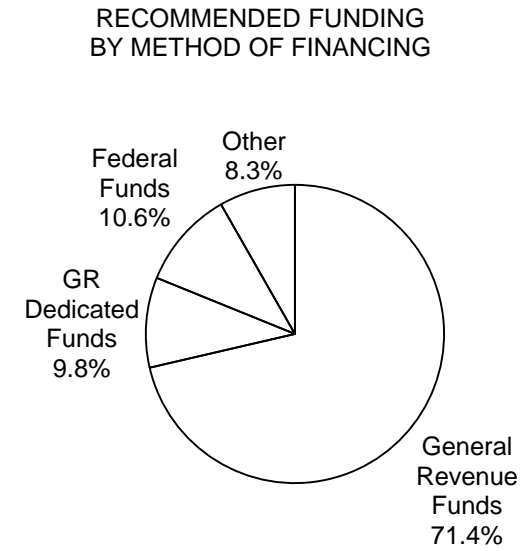
Section 1

**Social Security and Benefits Replacement Pay
Summary of Recommendations - House**

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The Honorable Glenn Hegar, Comptroller of Public

Emily Morganti, LBB Analyst

Method of Financing	2014-15 Base	2016-17 Recommended	Biennial Change	% Change
General Revenue Funds	\$1,047,318,780	\$1,158,801,529	\$111,482,749	10.6%
GR Dedicated Funds	\$153,780,238	\$158,685,486	\$4,905,248	3.2%
<i>Total GR-Related Funds</i>	<i>\$1,201,099,018</i>	<i>\$1,317,487,015</i>	<i>\$116,387,997</i>	<i>9.7%</i>
Federal Funds	\$182,884,896	\$172,278,465	(\$10,606,431)	(5.8%)
Other	\$193,204,278	\$134,006,651	(\$59,197,627)	(30.6%)
All Funds	\$1,577,188,192	\$1,623,772,131	\$46,583,939	3.0%



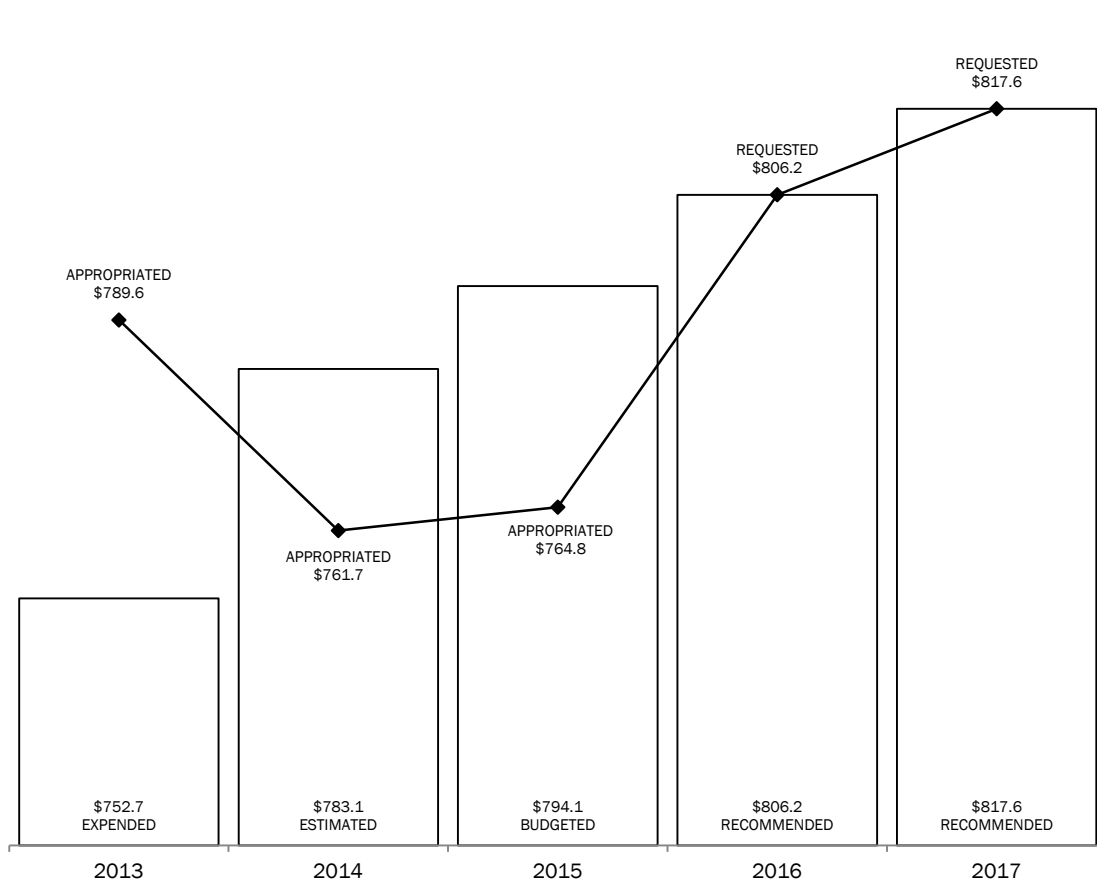
The bill pattern for this agency (2016-17 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2016-17 biennium.

Section 1
Social Security and Benefit Replacement Pay

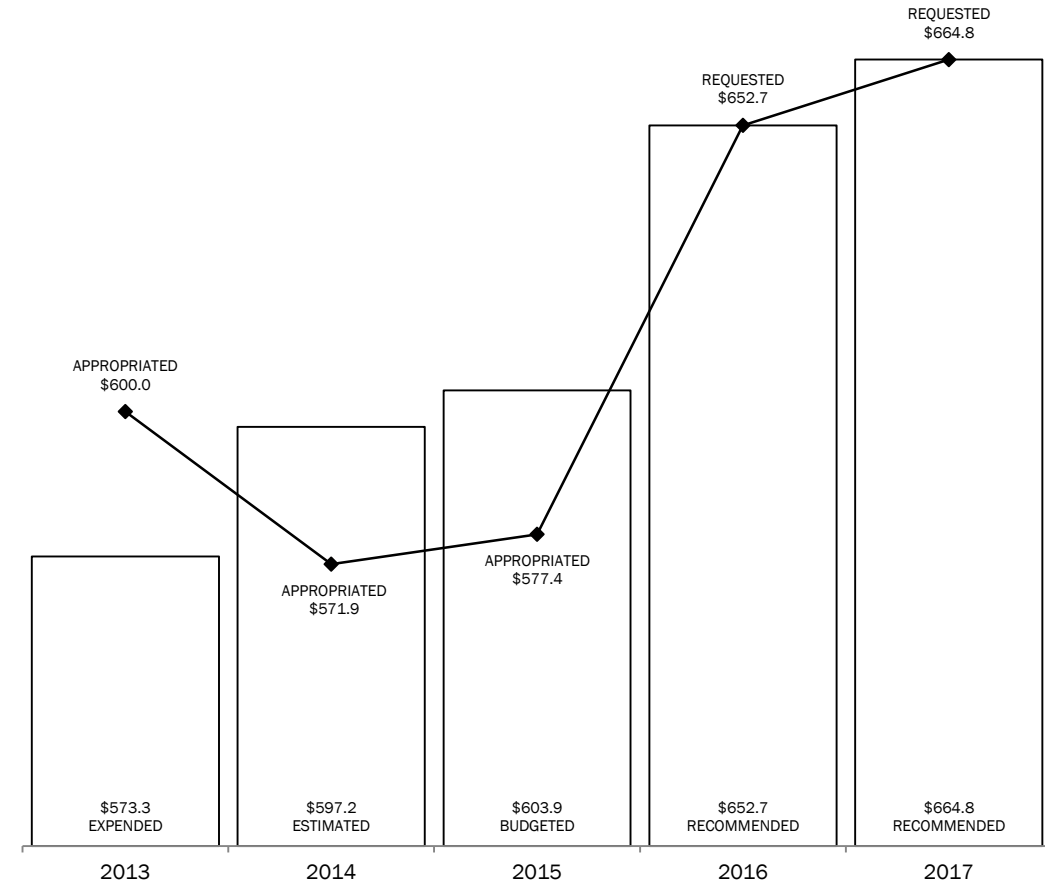
2016-2017 BIENNIUM
 IN MILLIONS

TOTAL= \$1,623.8 MILLION

ALL FUNDS



**GENERAL REVENUE AND
 GENERAL REVENUE-DEDICATED FUNDS**



Section 2

**Social Security and Benefit Replacement Pay
Summary of Recommendations - House, By Method of Finance -- ALL FUNDS**

Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
STATE MATCH -- EMPLOYER A.1.1	\$1,530,369,223	\$1,585,426,225	\$55,057,002	3.6%	Recommendations reflect an increase of \$55.1 million in All Funds above 2014-15 levels for Social Security payroll taxes, which are expected to continue at 6.2 percent for the Social Security employer contribution and 1.45 percent for the Medicare employer contribution, due to the biennialization of the fiscal year 2015 statewide salary increase, as well as 0.5 percent annual payroll growth assumption for state employees and 4.0 percent payroll growth assumption for higher education employees in each fiscal year of the 2016-17 biennium. Recommendations also provide for significant changes in the number of FTEs and/or funding of FTEs at certain state agencies.
BENEFIT REPLACEMENT PAY A.1.2	\$46,818,969	\$38,345,906	(\$8,473,063)	(18.1%)	Recommendations provide for an All Funds decrease of \$8.5 million below the 2014-15 levels for Benefit Replacement Pay (BRP) due to an estimated BRP-eligible employee turnover rate of 9.5 percent in each fiscal year of the 2016-17 biennium. Only employees continuously employed since before September 1, 1995 receive Benefit Replacement Pay.
Total, Goal A, SOCIAL SECURITY/BENEFIT REPLACEMENT	\$1,577,188,192	\$1,623,772,131	\$46,583,939	3.0%	
Grand Total, All Strategies	\$1,577,188,192	\$1,623,772,131	\$46,583,939	3.0%	

Section 2

**Social Security and Benefit Replacement Pay
Summary of Recommendations - House, By Method of Finance -- GENERAL REVENUE FUNDS**

Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
STATE MATCH -- EMPLOYER A.1.1	\$1,021,465,019	\$1,135,060,614	\$113,595,595	11.1%	<p>Recommendations reflect an increase of \$61.7 million in General Revenue primarily related to the MOF swap from State Highway Fund 6 for certain agencies that previously expended Fund 6 for employee benefits.</p> <p>Recommendations reflect an increase of approximately \$51.9 million for Social Security payroll taxes, which are expected to continue at 6.2 percent for the Social Security employer contribution and 1.45 percent for the Medicare employer contribution, due to the biennialization of the fiscal year 2015 statewide salary increase, as well as 0.5 percent annual payroll growth assumption for state employees and 4.0 percent payroll growth assumption for higher education employees in each fiscal year of the 2016-17 biennium. Recommendations also provide for significant changes in the number of FTEs and/or funding of FTEs at certain state agencies.</p>
BENEFIT REPLACEMENT PAY A.1.2	\$25,853,761	\$23,740,915	(\$2,112,846)	(8.2%)	<p>Recommendations reflect an increase of \$2.1 million in General Revenue primarily related to the MOF swap from State Highway Fund 6 for certain agencies that previously expended Fund 6 for employee benefits. This increase is offset by a decrease of approximately \$4.2 million for Benefit Replacement Pay (BRP) due to an estimated BRP-eligible employee turnover rate of 9.5 percent in each fiscal year of the 2016-17 biennium. Only employees continuously employed since before September 1, 1995 receive Benefit Replacement Pay.</p>
Total, Goal A, SOCIAL SECURITY/BENEFIT REPLACEMENT	\$1,047,318,780	\$1,158,801,529	\$111,482,749	10.6%	
Grand Total, All Strategies	\$1,047,318,780	\$1,158,801,529	\$111,482,749	10.6%	

Section 2

**Social Security and Benefit Replacement Pay
Summary of Recommendations - House, By Method of Finance -- 6 - State Highway Fund**

Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
STATE MATCH -- EMPLOYER A.1.1	\$152,617,414	\$95,270,729	(\$57,346,685)	(37.6%)	Recommendations reflect a decrease of \$61.4 million related to a MOF swap from State Highway Fund 6 to General Revenue or Other Funds for certain agencies that previously expended Fund 6 for employee benefits. This decrease is offset by an increase of \$4.0 million for Social Security payroll taxes, which are expected to continue at 6.2 percent for the Social Security employer contribution and 1.45 percent for the Medicare employer contribution, due to the biennialization of the fiscal year 2015 statewide salary increase, as well as 0.5 percent annual payroll growth in each fiscal year of the 2016-17 biennium.
BENEFIT REPLACEMENT PAY A.1.2	\$8,614,421	\$4,955,202	(\$3,659,219)	(42.5%)	Recommendations reflect a decrease of \$2.1 million related to a MOF swap from State Highway Fund 6 to General Revenue or Other Funds for certain agencies that previously expended Fund 6 for employee benefits. An additional decrease of \$1.6 million is for Benefit Replacement Pay (BRP) due to an estimated BRP-eligible employee turnover rate of 9.5 percent in each fiscal year of the 2016-17 biennium. Only employees continuously employed since before September 1, 1995 receive Benefit Replacement Pay.
Total, Goal A, SOCIAL SECURITY/BENEFIT REPLACEMENT	\$161,231,835	\$100,225,931	(\$61,005,904)	(37.8%)	
Grand Total, All Strategies	\$161,231,835	\$100,225,931	(\$61,005,904)	(37.8%)	